Tax Exemption to BCCI

515. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether grant of tax exemption to an association engaged in promotion of sports has been withdrawn by Government from 1st April, 2003;

(b) whether the Board of Control for Cricket in India (BCCI) is a private body registered under the Societies Act but engaged in generation of revenue through telecasting of matches at par with commercial telecasting channels; and

(c) whether BCCI deducts TDS from the remuneration/fee paid to players and if not, the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes. Exemption u/s. 10(23) available exclusively to a Sports Association or Institution established in India stands omitted w.e.f. 01.04.2003. However, exemption is still admissible to Associations or Institutions engaged in promotion of sports and games u/s 11 of the Act, by virtue of Cental Board of Direct Taxes Circular No. 395 dated 24.09.1984. Further, such associations/institutions may also claim tax exemption under the provisions of Section 10(23C)(iv) of the Act.

(b) BCCI is a private body registered under Society Act, 1860. Unlike commercial telecasting channels, telecasting of matches is not BCCI's activitity. BCCI generated revenue through sale of TV Rights besides sponsorship fees, permission fees for organizing tournaments. These are incidental to the attainment of the objectives of the Society i.e. promotion of sports in India.

(c) No. BCCI is making payments to players under the head "match fee" and TDS has not been deducted while making such payments to players as contract with them is reportedly not yet finalized. The matter is under examination.